

# Use of Employee Referral: Method of Recruitment at Lower Management in Pakistan

Moiz Shamsuddin<sup>1</sup>  
Email: [moizhemani@hotmail.com](mailto:moizhemani@hotmail.com)

## Abstract

*The purpose of the study is to determine the best recruitment sources at lower level positions in manufacturing industries in Pakistan. The informal recruiting sources results in less turnover, less absenteeism, more positive work attitudes, and possibly better performance than formal recruiting sources. A major reason determined for this effectiveness is that informal methods provides the potential candidate a realistic information about the organization, culture, job requirement and working conditions. This improves his performance and commitment towards the organization.*

*The specific objectives of the study is to analyze the effectiveness of recruitment sources, advantages & disadvantages of internal versus external recruitment and the best source of recruitment at lower level. A position analysis questionnaire was designed to determine the popular sources of recruitment and evaluate the referral method of recruiting. The proposed/target group of this research is 43 executives from recruitment department of nine manufacturing firms, e.g. Fertilizer, Oil and Gas, Pharmaceuticals, Power Generations, Foods and Electronics. The lower level positions in these industries included: clerical, secretarial, assistants and coordinators. Two hypotheses were developed; Employee referral is the most popular source of recruitment for lower level positions and employees hired through referrals have higher levels of tenure & low turnover at lower level positions in manufacturing industries in Pakistan. Statistical tests included Chi-Square Test to test hypotheses. After completing statistical analysis, both hypotheses were accepted based on results.*

**Keywords:** Employee Referral Method, Realistic Job Preview, Internal recruiting, Stability of Tenure, Lower Management

## Introduction

Recruitment is not just about filling jobs that are vacant right now or filling jobs that may become vacant soon; it is about making a continuous, long-term investment in

attracting a high-quality workforce capable of accomplishing the organization's mission now and in the future. Finding the right people is a make-or-break factor for success in business today. Recruiting the top talent for

<sup>1</sup> Moiz Shamsuddin, a graduate of PAF-KIET is presently employed in Engro Foods.

a job takes time and you have to attract quality candidates who have the knowledge and skills needed to help your company grow. The fact is your success with recruitment depends on how well you prepare your job ad, your recruitment vehicles and your interviewing skills. The endeavor is that your potential candidate truly understands the job. The clearer you are with the task description, working conditions and advantages, the less time you will waste examining and rejecting applications.

When a job vacancy exists, the first replacement source to consider is within the organization. Organizations such as BHP Billiton, Cathay Pacific, IBM, Dow Chemical and Shell have a policy of filling vacancies through internal transfer and promotion. An earlier study found that almost 80% of organizations filled more than half of their supervisory and managerial vacancies via internal promotions (Stone, 2005).

The specific objectives of the study is to analyze effectiveness of recruitment sources at lower levels of organizational hierarchy and the benefits that accrue from choosing informal methods of recruiting.

## Literature Review

### Effectiveness of Recruiting Techniques

The cost of recruiting employees (both successful and unsuccessful) continues to rise. It is not uncommon for an employer to spend between \$1000 and \$3000 to recruit candidates at supervisory levels. Spencer (1984) estimated that recruitment costs usually equal one-third of the new hire's annual

salary and as the pool of trained, qualified candidates shrinks, it becomes even more difficult to recruit and retain successful employees. (Delong & Clair, 1990).

### Relationship between Recruitment Source Information and Job Survival

The choice of recruitment through internal or external recruitment has been a matter for debate. Research findings in 1980s indicated that informal sources like employee referral and internal promotions lead to a better survival rate, commitment on part of new employee and internal motivation as compared to help from employment agencies and advertisement, (Breaugh and Mann, 1984), (Conrad and Ashworth, 1986)

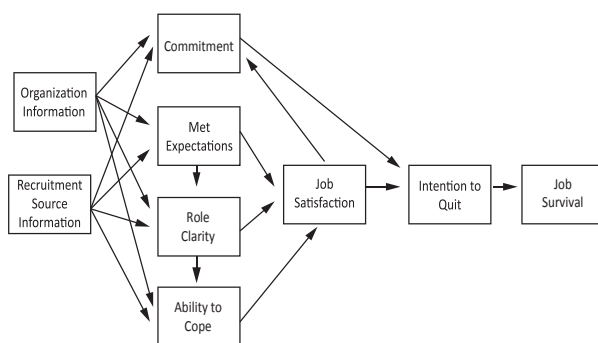
In recent times, Blau (1990) and Colella & Wanous (1989) focused on determining the relationship between expectations and job performance of freshly inducted employees. However, their findings were inconclusive. Similarly, Breaugh and Mann (1984) reported that the method of recruitment chosen project a different perception about realistic expectations and turnover; however, they did not report findings on the relationship between the realism of expectations and turnover. Finally, Conrad and Ashworth (1986) did find a significant correlation between recruitment source and expectations, or between expectations and job survival. (Saks, 1994).

In conclusion, the results of this study suggest that the realism and met expectations hypotheses are viable explanations for understanding the relationship between recruitment sources and job survival. The re-

sults of this study also provide some support for Wanous' (1992) model as a conceptual framework for understanding the relationship between recruitment source and organization information with job survival. (Saks, 1994)

Figure 1

### A Model of the Psychological Effects of Recruitment Source and Organization Information on Job Survival



The participants in the above study were 208 seasonal employees of a large amusement park employed in a variety of entry-level positions. The sample consisted of 44.7% (93) males and 55.3% (115) females. The mean age of the sample was 19 years. Six sources of recruitment were used. They included: 1) Rehire (N=110), 2) Employee referral (N=36), 3) Radio advertisement (N=21), 4) Newspaper advertisement (N=18), 5) Poster (N=11), 6) Self-initiated walk-in (N=11). (Saks, 1994).

There are nine variables that were identified in this study: recruitment source information, organization information, met expectations, role clarity, commitment, job

satisfaction, intention to quit, ability to cope and survival rate. It was found that recruitment source information and organization information were significantly positively correlated with met expectations, role clarity, commitment, and job satisfaction, and negatively correlated with intention to quit. However, only recruitment source information was significantly correlated with job survival. Second, met expectations were significantly correlated with job satisfaction, commitment and role clarity. "Met expectations" were extremely significant with job satisfaction. (Saks, 1994).

Similarly means, standard deviations, and t-values of one-tailed t-tests for informal versus formal sources of recruitment were significantly different. The means were significantly greater for the informal sources as compared to the formal sources for following variables

- Recruitment source information
- Met expectations
- Ability to cope
- Job survival

The results were not significantly different for following variables (Saks, 1994)

- Organization information
- Organizational commitment
- Role clarity
- Intention to quit

The results of this study are consistent with the literature on recruitment source effects and job survival. Informal sources of recruitment resulted in greater job survival than formal sources of recruitment, and em-

ployees recruited through informal sources of recruitment reported information that is more accurate. (Saks, 1994).

Wanous and Colella (1989) asserts that informal methods of recruiting provides better dividends since it results into controlled turnovers and lesser absenteeism and inculcates positive attitudes towards organizational performance. The major reason for this change of attitude is; a more realistic job preview (RJP) being provided to the new inductee. The referral provides inside information to the candidate as such he is better equipped to combat the problems confronted in the initial stage of service. This realistic preview does not allow expectations to go outside the context and will consequently increase satisfaction and increase commitment by means of vaccination effect, self-selection and decisional commitment. Similarly Wanous et al. (1992) further reinforces the point of view that Met expectations have also been a key psychological variable in research on the effectiveness of different recruitment sources (Wanous and Colella, 1989). Briefly, met expectations is one explanation of why certain inside sources, such as rehired employees or employee referrals, result in higher job survival rates than do outside sources such as newspaper ads or employment agencies. This is because it is assumed that inside sources provide more accurate information about a particular organization, acting somewhat like an RJP (p. 288).

### Employee Referral

It is suggested that employees hired

through referrals tend to have higher levels of tenure and low turnover. Both private and public organizations used employee referrals to select and hire new employees. Research indicates that referrals made by family members and long-term friends are more valuable and are often associated with higher tenure levels (Aamodt & Carr, 1988). Many organizations offer incentives to employees to encourage employee referral. Research has shown that exorbitant rewards are not always necessary; \$500 rewards have proven to be just as successful as higher amounts (Stewart, Ellenburg, Hicks, Kremen & Daniel, 1990).

Gleckstein & Ramer (1988) demonstrated that Employee Referral Program's is lowering the cost-per-hire by an estimated 50%. Verbatim Corporation revealed even more results that are impressive when they managed to reduce employee-hiring costs by more than 95% in only 6 months after the implementation of their Employee Referral Programs. (Farish, 1983).

To investigate the effectiveness of Employee Referral Programs, Aamodt and Carr (1988) conducted a meta-analysis on 11 past studies with 10,672 employees. Results indicated that referred employees tend to stay with an organization significantly longer than those hired through any other recruitment sources do. The increase in employee tenure may lead to a decrease in the turnover rate and may significantly reduce the hiring and training costs associated with new employees. (Stewart, Ellenburg, Hicks, Kremen & Daniel, 1990).

A study reported that applicants recruited through newspaper advertisements had an average tenure of 8 months, those who were referred by a friend had an average tenure of 12 months, and those who just walked-in and applied has an average tenure of 10 months. The mean for the study would be 10 months, and the standard scores for each of the methods, reported as a percentage of the overall study mean, would be 80 for media recruitment, 120 for employee referral, and 100 for direct application. (Aamodt & Carr, 1988).

In the table below, recruitment source had a significant effect when tenure was the criteria but not when performance was the criteria. More specifically, employee referrals resulted in the highest tenure whereas media sources resulted in the lowest tenure. (Aamodt & Carr, 1988).

Table 1

**Difference in Performance and Stability of Tenure amongst Different Recruiting Methods**

Criterion		
Recruitment source	Performance	Tenure
Employee referral	95.50 (2.89)	120.36 (19.05)
Direct application	102.66 (7.89)	98.89 (7.77)
Media advertisement	98.29 (4.82)	88.92 (17.56)
Employment agency	101.17 (4.88)	91.50 (15.84)

In order to capitalize on this form of recruitment, employers promote employee referral methods by offering lucrative benefits to the referee. These incentives could be in shape of gift certificates, cash awards and merchandise. In a survey conducted by

Bernard Hodes Advertising (1985), it was found that 86% of the companies with a referral bonus also offered a cash award. The mean cash award was \$628, with the highest amount given by Tech industries and the lowest amount given by Food service industries. (Stewart, Ellenburg, Hicks, Kremen & Daniel, 1990).

## RESEARCH METHODOLOGY

### Hypothesis # 1

$H_0$ : Employee referral is an unpopular source of recruitment for lower level positions in manufacturing industries in Pakistan.

$H_A$ : Employee referral is a popular source of recruitment for lower level positions in manufacturing industries in Pakistan.

### Justification of Hypothesis # 1

Employee always refers potential candidates who are efficient, trustworthy and reliable. Employee Referral Program is an effective recruitment source. It is more reliable than the other source of recruitment. The cost of hiring are low and benefits are higher than external recruitment sources. (Delong & Clair, 1990).

Employee referral is an internal recruitment source, employed by organizations to identify potential candidates from their existing employees' social networks. An employee referral scheme encourages a company's existing employees to select and recruit the suitable candidates from their social networks. As a reward, the employer typically pays the referring employee a referral bonus. Recruiting candidates using employee referral is widely acknowledged

as being the most cost effective and efficient recruitment method to recruit candidates, especially at lower echelons of organizational hierarchy.

### Hypothesis # 2

$H_0$ : Employees hired through referrals have higher level of tenure and low turnover at lower level positions in manufacturing industries in Pakistan.

$H_A$ : Employees hired through referrals have low level of tenure and high turnover at lower level positions in manufacturing industries in Pakistan.

### Justification of Hypothesis # 2

Results indicated that referred employees tend to stay with an organization significantly longer than do those hired through any other recruitment methods. The increase in employee tenure may lead to a decrease in the turnover rate and may significantly reduce the hiring and training costs associated with new employees. Referrers may provide information that helps employers choose recruits who can potentially reach a higher level of performance than non-referrals. Second, referral hires might be able to learn the job and adjust to its requirements more quickly than non-referrals. Inside sources, such as rehired employees or employee referrals, result in higher job survival rates than do outside sources such as newspaper ads or employment agencies. This is because it is assumed that referrals provide more complete and accurate information about the job and organization. (Stewart, Ellenburg, Hicks, Kremen & Daniel, 1990).

The chosen nine (9) multinational manufacturing firms in Pakistan were Engro Fertilizers Ltd, Abbott Pakistan, Byco Pakistan Ltd, Engro Foods Ltd, Pearl Food Industries, Engro Power Gen Ltd, Siemens Pakistan, LG Electronics and Dawlance Group of Companies.

The estimated population of employees working in above firms is around 21,670 employees and has large HR departments. Approximately 43 employees are working in recruitment department of these companies. These companies are large manufacturing units who rely on all methods of recruiting and recruit at lower levels of hierarchy significantly. The chosen sample is also a fair representation of manufacturing units.

The workforce and recruiters strength of the industries are given below:

Table 3

### Industrial Profile of Survey Sample

S.No	Industry Name	Number of Employees	HR Recruitment Team
1.	Engro Fertilizers Ltd.	1300	7
2.	Abbott Pakistan	1350	5
3.	Byco Pakistan Ltd.	800	5
4.	Engro Foods Ltd.	1100	4
5.	Pearl Food Industries	1000	4
6.	Engro Power Gen Ltd.	120	4
7.	Siemens Pakistan	1000	5
8.	LG Electronics	10000	3
9.	Dawlance Group of Companies	5000	6
	TOTAL	21670	43

## Measurement Tools

Following statistical tools will be used to analyze data and test the hypothesis respectively.

I. Data Analysis. The data will mostly measure through the measure of central tendencies to include mean, median, mode, standard deviation and sample variance etc.

II. Chi Square Test. Chi square test will be used to test hypothesis where ranking scale is applied. Chi-square is used to determine whether there is a significant difference between expected frequencies and the observed frequency in one or more categories. It is used to check if the respondents fall in the same category as it is expected.

$$\text{Formula: } \sum (O - E)^2 / E$$

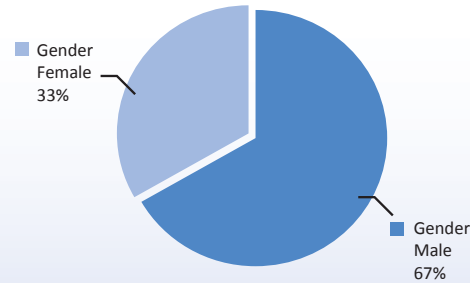
## Limitations of the Study

- Some of the respondents expressed reluctance to disclose recruiting information citing company policy.
- Only 24% involvement of top management took place in this survey.
- 43% respondents had 2 years of experience in the organization, which means their opinion is not highly effective.
- Many respondents only used their guesswork while filling in the questionnaire and did not refer to any company data.
- Each organization filled in at least 2-3 questionnaires.

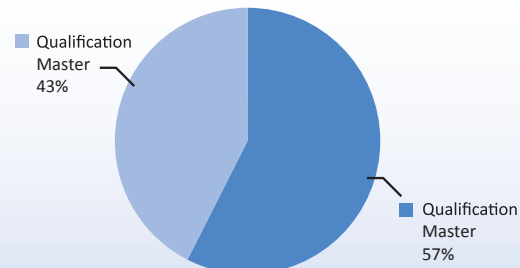
The profile of the respondents is as follows:

Figure 2

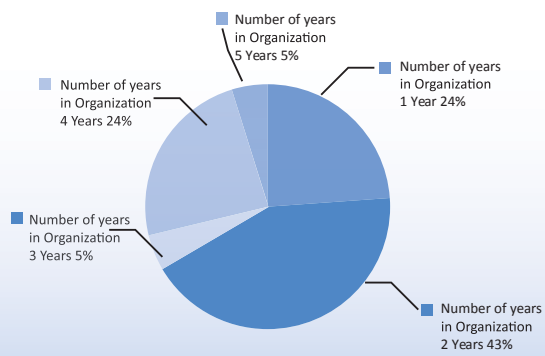
### Profile of Sample Gender



### Qualification



### Number of years in organization





## FINDINGS OF SURVEY

### HYPOTHESIS # 1

$H_0$ : Employee referral is an unpopular source of recruitment for lower level positions in manufacturing industries in Pakistan.

$H_A$ : Employee referral is the most popular source of recruitment for lower level positions in manufacturing industries in Pakistan.

The P-value of test statistic is .005, which is  $< 0.05$ , which means there is significant evidence to reject the null hypothesis that employee referral is an unpopular source of recruitment for lower level position in manufacturing industries in Pakistan. It proves that employee referral is a popular source of recruitment for lower level position in manu-

facturing industries in Pakistan.

To support Hypothesis # 1, below questionnaire have been proved through graphical and statistical test/presentation.

- 71% organization having Employee Referral Policy. Organizations encourage and motivate employee referral policy at the workplace. Referral policy increases employee commitment and motivation resulting in higher productivity. It also results in saving time in cost and time. The communication flow between employee and recruiters is friendly and employee actively participates in organizational affairs.

- Two organizations i.e. LG Electronics &

Table 4

#### Findings of Popularity of Employee Referral

Likert scale	Respondent	Percentage
Strongly agree	1	5%
Agree	2	10%
Neutral	4	19%
Disagree	11	52%
Strongly disagree	3	14%
Total	21	100%
Valid	21	
Missing	0	
Mean	2.38	
Median	2.00	
Mode	2	
Std. Deviation	1.024	
Variance	1.048	

Table 5

#### Result of Chi-Square Statistics

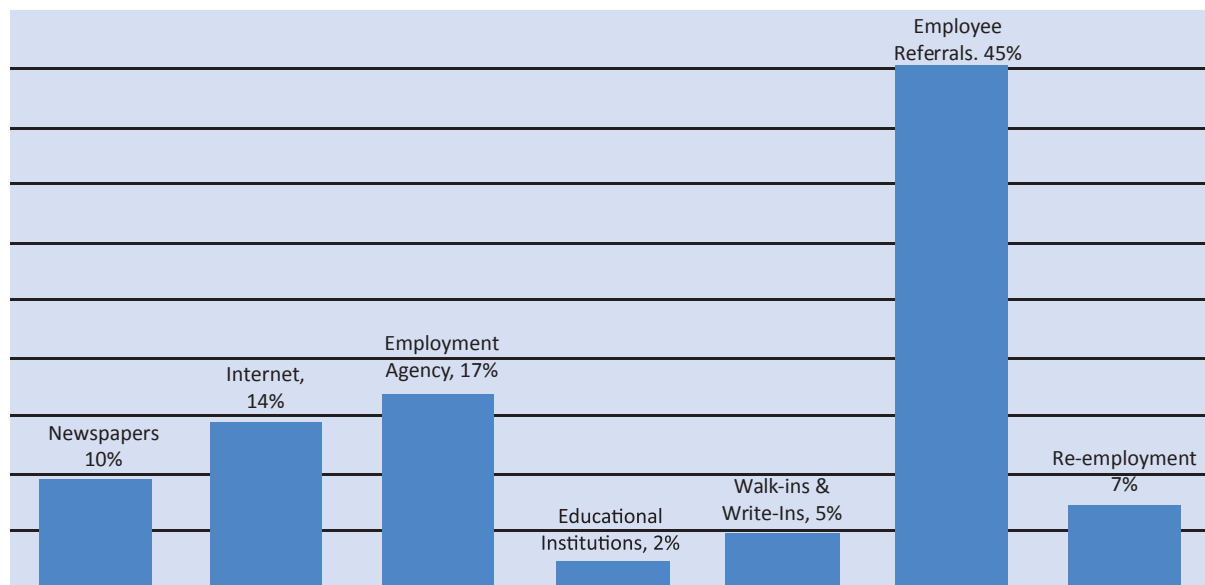
Employee referral is the popular source of recruitment			
	Observed N	Expected N	Residual
Strongly Disagree	3	4.2	-1.2
Disagree	11	4.2	6.8
Neutral	4	4.2	-.2
Agree	2	4.2	-2.2
Strongly Agree	1	4.2	-3.2
Total	21		

Employee referral is the popular source of recruitment	
Chi-Square	14.952
df	4
Asymp. Sig.	.005



Figure 3

### Usage of Different Recruiting Method in Industries of Pakistan



Pearl Food Industries have a policy to distribute rewards to referring employees. The rewards are in term of cash and gifts. Monetary rewards ranged between Rs. 30000/ to Rs. 100,000/. Non-monetary rewards included “Best employees of the Month” and production incentives.

#### Hypothesis # 2

$H_0$ : Employees hired through referrals have higher level of tenure and low turnover at lower level positions in manufacturing industries in Pakistan.

$H_A$ : Employees hired through referrals have low level of tenure and high turnover at lower level positions in manufacturing industries in Pakistan.

Table 6

#### Findings of Turnover of Referral Employees

Likert Scale	Respondent	Percentage
Strongly agree	4	19%
Agree	8	38%
Neutral	7	33%
Disagree	2	10%
Strongly disagree	0	0%
Total	21	100%

#### Low turnover of referral employee

Valid	21
Missing	0
Mean	3.67
Median	4.00
Mode	4
Std. Deviation	.913
Variance	.833

### CHI-SQUARE STATISTICS

Low turnover of referral employee			
	Observed N	Expected N	Residual
Disagree	2	5.2	-3.2
Neutral	7	5.2	1.8
Agree	8	5.2	2.8
Strongly Agree	4	5.2	-1.2
Total	21		

Low turnover of referral employee	
Chi-Square	4.333a
df	3
Asymp. Sig.	.228

The P-value .228 is  $>0.05$ , as such there are no significant evidence to reject  $H_0$ . Hence the hypothesis  $H_0$  is true and  $H_A$  is rejected. It proves that employees hired through referrals have higher level of tenure & low turnover at lower level positions in manufacturing industries in Pakistan.

Following data gathered through survey also indicates that such recruits are also more committed towards organizations.

The p-value  $0.644 > 0.05$ , means that there are no significant evidence to reject the null hypothesis (i.e. Employees hired through referrals are more committed to organization). The table and graph shows that 33% respondents agreed that referred employees are more committed to the organization. It shows that referrals exhibit a higher rate of productivity due to namesake of known employees, and there were no hints that such employees take advantage of their affiliations in the organization.

- 50% of the respondents also agreed that the employee referral method saves time of the recruiters and lead to cost saving.

- 66% of the respondents also opined that the candidates referred by the existing employees also turned out to be reliable and trustworthy employees.

Table 7

### Findings of Commitment of Employees towards the Organization

Like rt scale	Respondent	Percentage
Strongly agree	3	14%
Agree	7	33%
Neutral	6	29%
Disagree	5	24%
Strongly disagree	0	0%
Total	21	100%

Table 8

### Findings of Statistical Test

Valid	21
Missing	0
Mean	3.38
Median	3.00
Mode	4
Std. Deviation	1.024
Variance	1.048

### CHI-SQUARE STATISTICS

Referral employees are more committed			
	Observed N	Expected N	Residual
Disagree	5	5.2	-.2
Neutral	6	5.2	.8
Agree	7	5.2	1.8
Strongly Agree	3	5.2	-2.2
Total	21		

Referral employees are more committed	
Chi-Square	1.667c
Df	3
Asymp. Sig.	.644

In the survey, another important factor that emerged was the priority accorded to an array of recruitment methods as per the perception of recruiters. The considerations

while according this priority is based on cost, quality and filling time attributed to each method of recruiting. Following table, exhibit the priorities.

Table 9

**Findings of Priority Accorded to Different Methods of Recruitment**

Sources of Recruitment	Priority 1	Priority 2	Priority 3	Priority 4	Priority 5	Priority 6	Priority 7
Advertisement In Newspapers	3	3	2	3	2	6	2
Internet	3	4	4	3	3	3	1
Employment Agency	2	1	6	3	2	3	4
Educational Institutions	0	1	1	6	5	1	7
Walk-ins & Write-ins	1	3	0	4	6	6	1
Employee Referrals	11	6	1	1	1	1	0
Re-employment	1	3	7	1	2	1	4

**TOP TWO PRIORITIES**

Sources of Recruitment	Priority 1	Percentage	Priority 2	Percentage
Advertisement In Newspapers	3	14%	3	14%
Internet	3	14%	4	19%
Employment Agency	2	10%	1	5%
Educational Institutions	0	0%	1	5%
Walk-ins & Write-ins	1	5%	3	14%
Employee Referrals	11	52%	6	29%
Re-employment	1	5%	3	14%
Total	21	100%	21	100%

**CONCLUSION**

Based on collected data it is finally concluded and proved that employee referral is the most popular source of recruitment and employees who are hired thorough referrals has higher level of tenure and low turnover at lower level positions in manufacturing in-

dustries in Pakistan.

Internal recruitment is the best source of recruitment is around 76% suited for the lower level positions in organization. Survey results also determined that around 71% organizations have employee referral policy,

which means organizations encourage, support and motivate the employee referral policy at workplace. The employee referral policy also increases the employee motivation, which increases the morale value, high commitment, reliability, and performance and increase productivity.

LG Electronics is the fast growing industry and they prefer employee referral and motivate employee through monetary rewards in term of cash. Pearl Food Industries give non-monetary rewards in term of awards, gifts and incentives for referring employees. 57% respondents agreed that employees hired through referral results in low turnover of employees. The reason behind is that employee provide real job preview (RJP) and true information before joining their friends, colleagues about the job, working condition, environment and culture of the organization.

Employee referral save recruiter's time and result in more commitment to the organization. The selected candidates turn out to be more trustworthy and reliable. The survival rate of informal or 'inside' sources was greater than formal or 'outside' sources.

Advertisement in newspaper is very expensive for lower level positions. Mostly Pakistani companies advertise vacant position

only for middle and top level in newspapers. In Pakistan Dawn, Daily Times, The News and Jung are significant newspapers for job advertisement and easily accessible by all. For example, if a company give ad in Sunday Dawn newspaper they charge Rs. 460/- for only 20 words. Normally in Dawn, an advertisement of size 5 x 2 inches amounts to Rs. 20,000/- . While in Jung, Karachi it would cost Rs. 15,000/-. If a company wants to advert vacancy with complete job description, experience, education, skills etc. in Dawn, preferable size 20 x 3 inches would cost Rs. 160,000/- while in Jung it would cost Rs. 130,000/-.

## RECOMMENDATION

- Organizations should try to reduce the un-productive time or delays in hiring process because it create negative image of the organization.
- Before beginning the search, exactly define what you want in a candidate and prepare job specifications accordingly.
- Give potential candidates a 'realistic job preview' at an early stage of recruitment. Do not raise any unrealistic expectation that you are not able to fulfill later.
- An organization should use multiple recruitment sources at different levels.
- Use technology in recruiting and hiring process. It saves time and cost of the organization.

## References

- Aamodt, M. G., & Rupert, G. (1990), *Relationship between employee referrals and employee tenure and performance Proceedings of the annual meeting of the International Personnel Management a social Assessment Council*. San Diego, California.
- Aamodt, M. G., & Carr, K. (1988), *Relationship between Recruitment Source and Employee Behavior Proceedings of the Annual Meeting of the International Personnel Management-Assessment Council*, Las Vegas.
- Bailey, T. (Ed.) (1995), *Learning to Work: Employer involvement in school-to-work transition programs* Washington, DC: The Brookings Institution.
- Bernard Hodes Advertising. (1985). *Employee referral policies and programs* Unpublished manuscript, Division of Doyle Dane Bernbach Advertising Inc., New York
- Blau, G. (1990). *Exploring the mediating mechanisms affecting the relationship of recruitment source to employee performance*, *Journal of Vocational Behavior*, 37, 303-320
- Booz, Allen & Hamilton, (2006), *Direct Employers Association Recruiting Trends Survey*. Washington, D.C.
- Breaugh, J. A. (1981). *Relationship between recruiting sources and employee performance, absenteeism and work attitudes* *The Academy of Management Journal* Vol. 24, No. 1, pp. 142-147.
- Breaugh, J. A. and Mann, R. B. (1984), *Recruiting source effects: A test of two alternative explanations*, *Journal of Occupational Psychology*, 57, 261-267
- Bucalo, J. (1983). *Good Ads can be more effective than other recruitment sources*. *Personnel Administrator*, 28, pp. 73-79.
- Conrad, M. A. and Ashworth, S. D. (1986), 'Recruiting source effectiveness: A meta-analysis and re-examination of two rival hypotheses'. Paper presented at the annual meeting of the Society for Industrial and Organizational Psychology, Chicago, IL.
- Colella, A. and Wanous, J., P. (1989). 'Differences in recruiting source effectiveness: A real test of the realism hypothesis'. Paper presented at the annual meeting of the Academy of Management, Washington, D.C.
- Decker, P. J. and Cornelius, E. T. (1979), *A note on recruiting sources and job survival rates*, *Journal of Applied Psychology*, 64, 463-464.
- Delong, B. & Clair, S. S (1990). *An Analysis of Recruitment Strategies in Public & Private Organizations* *Applied HRM Research*. Vol. 1, No. 2 pg 43-50
- Farish, P. (1983) *HRM update: Bonus pays off*. *Personnel Administrator*, p. 14.
- Feldman, D. C. & Klaus, B. S. 2002. *Internet Job Hunting A Field Study of Applicant Experiences with on-line recruiting*. *Human Resource Management*, 41(2): 175-192.
- Fyock, C. (1988). *New ways to say "Help Wanted"*. *Personnel Administrator*, 33, pp. 101-109.
- Galanaki, E. (2002). *The decision to recruit online; a descriptive study* *Career Development International*, 7(4): 243-251.
- Gannon, M. J. (1971). *Sources of referral and employee turnover*, *Journal of Applied Psychology*, 55, 226-228
- Kirnan, J. P., Farley, J. A. and Geisinger, K. F. (1989) *The relationship between recruiting source, applicant quality, and hire performance: An analysis by sex, ethnicity, and age*, *Personnel Psychology*, 42, 293-308.

- Magnus, M. (1987), *Is your recruitment all it can be?* *Personnel Journal* 66, pp. 54-63.
- Martin, B. (1987). *Recruitment Ad Ventures*, *Personnel Journal*
- Noe, R., Hollenbeck, J., Gerhart, B., & Wright, P. (2003) *Human Resource Management: Gaining a Competitive Advantage (Fourth edition)* NY: McGraw Hill.
- Raymond, J. Stone. (2005). *Human Resource Management Fifth Edition*
- Radcliff, D. (2000). *Diary of an online job seeker*, *computer world*, Vol. 34: 36-37.
- Ramlall, S. J. (2003). *Enhancing the effectiveness of HR through the integration of IT* *Journal of Business & Economics Research* Vol. 1, No. 10, pp. 47-56
- Reid, G. L. (1972). *Job search and the effectiveness of job-finding methods*, *Industrial and Labor Relations Review*, 25, 479-495
- Saks, A. M. (1994). *A psychological process investigation for the effects of recruitment source and organization information on job survival* *Journal of Organizational Behavior* Vol. 15, No. 3 pp. 225-244.
- Schwab, D. P. (1982), 'Recruiting and organizational participation' In: Rowland, K. M., and Ferris, G. R, *Personnel Management*, Allyn and Bacon, Boston, MA.
- Sherman, Bohlander, Chruden. (1988). *Managing Human Resources*. South-Western Publishing Co.
- Smith, A. D. & Rupp, W. T. (2004) *Managerial challenges of e recruiting: extending the life cycle of new economy employees*. *Online Information Review*, 28(1): 61-74.
- Smith, J. (2001). *Is Online Recruiting Getting Easier?* *Workforce*, 25
- Spencer, L. (1984). *Recruiting Trends*, *Resource*, 7
- Stewart, R., Ellenburg, G., Hicks, L., Kremen, M., & Daniel, M. (1990) *Employee referrals as a recruitment source* *Applied HRM Research*, 1 (1), pp. 1-3.
- Wanous, J. P. (1992) *Organizational Entry: Recruitment, Selection, Orientation and Socialization of Newcomers*, Addison-Wesley, Reading, MA
- Wanous, J. P. and Colella, A. (1989), 'Organizational entry research: status and future research directions'. In: Rowland, K. M. and Ferris, G. R., *Research in Personnel and Human Resources Management*, Vol. 7, JAI Press, Greenwich, CT, pp. 59-120.

## QUESTIONNAIRE

### Dear Respondent!

For my MBA Project, I have chosen to conduct research on the topic "Effective Recruitment Source at lower level". Your answer will be kept strictly confidential and will only be used for research purpose. Your name will not be mentioned anywhere on the document so kindly give an impartial opinion to make research successful. You are requested to take 10 minutes out of your busy schedule to fill this questionnaire. Your cooperation is highly appreciated.

Thanks once again for your time and cooperation!

Moiz Shamsuddin

Name (optional): \_\_\_\_\_

Designation: \_\_\_\_\_

Department: \_\_\_\_\_

Organization: \_\_\_\_\_

Gender: Male ☐ Female ☐

Qualification: Master ☐ ☐ Graduation ☐ Intermediate ☐  
Other

No. of years in this organization: Less than 1 Yr ☐ 1 – 2 yrs. ☐ 2 – 3 yrs. ☐  
3 – 4 yrs. ☐ 4 – 5 yrs. ☐ 5 & above yrs. ☐

Workforce (No. of Employees): \_\_\_\_\_

Average # of employees recruited in a year at lower level: \_\_\_\_\_



Rate the following on the scale of (1-5)

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

1) Which recruitment process suits best for lower level positions in your organization?

- a) Internal source
- b) External source

2) Which of the following is your major source of advertising vacant positions at lower level position?  
(Tick any two)

- a) Advertising in Newspapers
- b) Internet
- c) Employment Agency
- d) Educational Institutions
- e) Walk-ins & Write-ins
- f) Employee referrals
- g) Re-employment of ex-employees
- h) Other (please provide details)

3) In terms of cost incurred & quality which of the following recruiting sources are more effective at lower level position? (Tick in order of priority I being highest)

- a) Advertising in Newspapers
- b) Internet
- c) Employment Agency
- d) Educational Institutions
- e) Walk-ins & Write-ins
- f) Employee referrals
- g) Re-employment of ex-employees
- h) Other (please provide details)

4) What percentage (%) of recruitment is fulfilled by the following sources of recruitment at lower level positions:

- a) Advertising in Newspapers \_\_\_\_\_ %
- b) Internet \_\_\_\_\_ %
- c) Employment Agency \_\_\_\_\_ %
- d) Educational Institutions \_\_\_\_\_ %
- e) Walk-ins & Write-ins \_\_\_\_\_ %
- f) Employee referrals \_\_\_\_\_ %
- g) Promotions (through Internal Job Postings) \_\_\_\_\_ %
- h) Re-employment of ex-employees \_\_\_\_\_ %
- Total \_\_\_\_\_ 100 %

5) Do you have an employee referral policy in your Organization?

- a. Yes ☐  
b. No ☐

6) Is there any reward policy for referring employees?

- a) Yes ☐  
b) No ☐

7) (a). If yes, the reward given on bringing the candidate on board is:

- i) Monetary reward ☐ ii) Non-monetary reward ☐

(b). What is the upper and lower limit in case of monetary rewards for recognition?

(c). If non-monetary, then what does the rewards include?

8) Employee referral in my organization does not increase more than 10% of the selected employees.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

9) Referral employee is a better worker than non-referral employee.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

10) Employees who are hired through referrals can significantly save time of recruiters.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

11) Referral employees do not take advantage of their affiliations in the organization.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

12) Employees hired through referrals are more committed to organization.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

13) An employee always refers those who are trustworthy & reliable.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

14) Employees hired through referrals results in low turnover of employees.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

15) Usually referrals exhibit a faster rate of productivity due to namesake of known employee.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

16) To what extent do referrals reduce hiring & training cost?

- a) Low ☐
- b) Medium ☐
- c) High ☐

17) Out of total recruitment in a year, what is the percentage (%) of internal recruitment at different levels?

- a) Supervisory level \_\_\_\_\_%
- b) Experience workers \_\_\_\_\_%
- c) New workers \_\_\_\_\_%

18) What cadre of existing employees offer potential recruits through referral:

- a) Supervisory level ☐
- b) Experience workers ☐
- c) New workers ☐
- d) Any employee ☐